



Defence Business Services

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[REDACTED]

Email: [REDACTED]

26 April 2023

Dear Ms Marsh,

Thank you for your email of 28 March 2023 to the Ministry of Defence (MOD), requesting the following information:

- 1. Are any employees employed by Veterans UK in receipt of performance related pay/bonuses?*
- 2. If so, which employees are included within that category? (case handlers, medical advisors just by way of example)*
- 3. If there is an element of performance related pay, what criteria trigger such payment?*

I am treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

A search for the information has now been completed within the MOD and I can confirm that all information in scope of your request is held.

Copies of the In-Year Reward Scheme Policy and Thank you Scheme Policy can be found at Annexes A and B below. All information was extracted from the MOD Internal Intranet on 21 April 2023.

Under Section 16 (Help and Assistance) of the FOIA you may find it helpful to be aware that all MOD Main civilian staff, including fixed term appointed staff in the broader banded grades and skill zones, excluding the Senior Civil Service, are eligible for recognition under the In-Year Reward Scheme and the Thank you Scheme.

If you have any queries regarding the content of this letter, please contact this office in the first instance.

If you wish to complain about the handling of your request, or the content of this response, you can request an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.gov.uk). Please note that any request for an internal review should be made within 40 working days of the date of this response.

If you remain dissatisfied following an internal review, you may raise your complaint directly to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website at <https://ico.org.uk/>.

Yours sincerely

A black rectangular redaction box covering the signature of the sender.

Defence Business Services Secretariat



Ministry
of Defence

In-Year Reward Scheme Policy

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Revision History		
Date	Version	Change Details
06/01/2017	1.0	First version finalised
21/02/2017	1.1	Updates made following TU, PMIG and CPPG Feedback
10/03/2017	2.0	Second version finalised following sign off from Daniel Applegate
24/04/2017	3.0	Further updates required
03/04/2017	4.0	Minor updates required
23/02/2018	5.0	Minor updates required in preparation for new performance year
08/02/2019	6.0	Minor updates required in preparation for new performance year
01/04/2020	7.0	Update terminology to match MyHR
18/02/2022	01-2022	Minor updates required

Contents

Policy Overview	3
Policy Principles	3
Diversity and Inclusion	4
Scope of Policy	6

Policy Overview

1. Recognising and rewarding high performance both in terms of WHAT employees do (the outcomes or deliverables they achieve) and HOW they do it (the actions they take and the behaviours, skills and knowledge they demonstrate) is essential in terms of boosting staff motivation and engagement. The In-Year Reward scheme policy outlines a framework for rewarding high performance throughout the performance year.

Policy Principles

2. The timely recognition and rewarding of high performance improves employee motivation and can incentivise discretionary effort. Financial rewards are just one way that managers can demonstrate the value the department places on the contribution of its employees. As part of continuous performance management conversations line managers should provide their employees with regular and honest feedback and consider whether a financial reward is appropriate.
 - TLBs must ensure that they uphold the governance principles which underpin the In-Year Reward scheme policy as set out in their annual letters of financial instruction.
 - TLBs are therefore responsible for implementing internal governance frameworks which ensure that the In-Year Reward scheme policy is used in a fair, consistent and transparent way. These must meet the principles of the scheme as set out in the In-Year Reward scheme policy and be communicated to in-scope staff.
3. The following principles underpin the In-Year Reward scheme policy and procedure:
 - **High performance is valued and will be recognised and rewarded in real time.** Line managers are expected to recognise and reward individuals or teams who deliver high quality outputs and demonstrate excellent behaviours. Innovation should also be championed and celebrated through recognising and rewarding those who display innovative behaviours or offer innovative solutions/ideas
 - **The process for rewarding high performance is straightforward.** To enable line managers to play their part in recognising and rewarding high performance the process for nominating individuals or teams for an In-Year Reward is light-touch. Please refer to the [In-Year Reward Scheme Procedure](#) for further information.
 - **The In-Year Reward scheme will be used in a fair and transparent way that reflects the importance of Diversity and Inclusion within MOD.**
 - **The In-Year Reward scheme is subject to the following criteria:**
 - i. In a financial year an individual employee **regardless** of grade can receive a maximum of £5,000 via the In-Year Reward scheme. This amount does not include awards made via the [Thank You scheme](#).
 - ii. The minimum value of a single In-Year Reward is £250, and an employee can receive up to 5 in-year rewards (not exceeding a total of £5,000) during a financial year.
 - iii. In-Year Rewards can only be provided for high performance by an employee against both the WHAT and HOW elements of one or more of their goals. In-Year Rewards are subject to tax and National Insurance deductions.

- iv. The In-Year Reward scheme must not be used to reward the attainment of a professional qualification or to bring salaries more in line with perceived market rates.
- v. There is no guarantee of an In-Year Reward.

Diversity and Inclusion Principles

4. MOD recognises that we have a diverse workforce, and we want to ensure our workplace is inclusive. This is a joint responsibility for all colleagues. Diversity means the ways in which we all differ including (but not limited to) our race, ethnicity, religion, beliefs, physical attributes, disabilities, sex, gender identity, sexual orientation, age, socio-economic background, life experiences (including marriage, civil partnership, pregnancy, and maternity), skills and the way we think and do things. Consideration should also be given to other relevant circumstances such as Trade Union membership and activities.
5. Full consideration and recognition must be given to the high performance of our diverse workforce across Defence. All staff contributions should be acknowledged based on merit, with managers challenging and eliminating conscious and unconscious bias in assessment processes.
6. Inclusion is about valuing and harnessing people's unique backgrounds, talents, perspectives, and insights for the benefit of individuals and the organisation. Inclusion in MOD means the action of embracing these differences.
7. All staff are required to display inclusive behaviours, such as actively listening to colleagues or speaking out against inappropriate behaviours. Managers must have undertaken the relevant Equality, Diversity, and Inclusion training and to abide by the current MOD Equality, Diversity, and Inclusion policy.
8. Current Equality, Diversity and Inclusion mandatory training include:

-Inclusion in the Civil Service (Course Code I-CS21). Duration:40 minutes.

There may be additional training in individual TLBs so staff should ensure that they are aware of their obligations.

9. The Disability Toolkit and Race Toolkit is to be read in conjunction with the MOD's overarching Equality, Diversity and Inclusion policy and it is a requirement that both are followed. The MOD has a legal obligation to provide reasonable adjustments for employees with disabilities to enable them to maximise their potential and to work as effectively as possible on an equal basis with their colleagues. For more information on the Equality Act 2010 see Diversity and Inclusion Policy.
10. Managers should ensure they are upholding the principles outlined in the MOD, Equality, Diversity, and Inclusion policy when considering in year rewards. Managers should be encouraged to consider how different factors may affect individuals and ensure that all employees have an equal opportunity to be nominated for an award.

Scope of Policy

11. The In-Year Reward Scheme policy applies to all in-scope employees and to countersigning officers and line managers of those in scope. This might include non-standard occupational grades, service personnel and other 'non-employees' acting as countersigning officers and managers. The following eligibility criteria applies:

In Scope

- All MOD Main civilian staff, including fixed term appointed staff in the broader banded grades and skill zones, excluding the SCS.
- Retained grades that are covered by the MOD main pay agreement.

Out of Scope

- Members of the Senior Civil Service.
- Non-Standard Occupational Groups except those stated above.
- Staff employed by Trading Funds and non-departmental public bodies, including staff in DE+S, DsTL, the UK Hydrographics Agency and DECA.
- Contractors, and retained and departmental grades not employed under the MOD main pay agreement.
- MDP officers in the rank of Constable through to Chief Superintendent.
- Members of the Royal Fleet Auxiliary (RFA).
- TUPE staff not covered by the MOD Main pay agreement. Employees on TUPE transfer to MOD Main are subject to Performance Management arrangements but are not eligible to receive any award via the In-Year Reward Scheme.

Thank You Scheme policy

Policy

Overview

1. Recognition and Reward is the generic term for when managers identify and recognise individual instances of good performance. It gives flexibility to managers to recognise good performance or commitment and to reward quickly. It is essentially good management practice in relation to staff performance.

2. There are two main recognition schemes; the **In-Year Reward Scheme** and the **Thank You Scheme**. This policy relates to the Thank You Scheme.

Policy principles

3. The Thank You scheme is a single instance recognition tool related to performance. The aim is to provide rewards for one-off achievements. It differs from in-year recognition because non entitled staff such as Service personnel and contractors may benefit, provided that they are minority members of a civilian team. It is funded from within existing budgets from the margins of the civilian pay bill and should not exceed 0.1% of the pay bill. Awards of this type are made as gifts (in kind), not in cash.

4. The Thank You scheme should be used when an individual has achieved over and above what is required. An award recognises a well performed specific task or exercise, rather than delivering against objectives.

5. The value of any award must not exceed £100 per individual. And for a team the award must not exceed the equivalent of £100 per eligible head. The Thank You scheme, and the In-Year reward scheme are separate schemes; therefore, awards made under the Thank You scheme do not contribute to the In-Year Reward schemes limit.

6. Awards made under the Thank You scheme are liable for tax and NI contributions as they are considered to be benefits in kind. However, the MOD pays the tax and NI liability on any awards and so you are not responsible as an individual and will receive the full value of the award.
7. The type of award should be considered carefully so it doesn't bring MOD into disrepute. For example, alcohol must not be purchased for consumption at the cost of the taxpayer.
8. It is the responsibility of TLBs to ensure that the awards conform to the framework laid down in this document and the Thank You scheme procedure document.
9. TLBs are reminded that MOD is committed to equality of opportunity. All Authorising Officers must consider Unconscious Bias and Equality and Diversity principles in authorising any award.
10. TLBs are liable for the payments which will fall to be paid in the following financial year. TLBs are therefore to hold back 0.04% of your expenditure on the scheme.
11. TLBs must record all Thank You scheme expenditure against RAC NTP 009 and where possible using a Thank You scheme specific Electronic Procurement Card (ePC).
12. TLBs must keep a record of all awards made. The authorisation forms and records kept at BLB level will suffice, but you must develop your own internal reporting procedures so that you can obtain an overview of expenditure on the scheme.
13. TLBs must report to DBS the total expenditure on awards against individual UINs. Nil returns are required.

Diversity and inclusion

14. MOD recognises that we have a diverse workforce, and we want to ensure our workplace is inclusive. This is a joint responsibility for all colleagues. Diversity means the ways in which we all differ including (but not limited to) our race, ethnicity, religion, beliefs, physical attributes, disabilities, sex, gender identity, sexual orientation, age, socio-economic background, life experiences (including marriage, civil partnership, pregnancy, and maternity), skills and the

way we think and do things. Consideration should also be given to other relevant circumstances such as Trade Union membership and activities.

15. Full consideration and recognition must be given to the high performance of our diverse workforce across Defence. All staff contributions should be acknowledged based on merit, with line managers challenging and eliminating conscious and unconscious bias in assessment processes.

16. The Thank You scheme should be used in a fair and transparent way that recognises the importance of Diversity and Inclusion within MOD.

17. Inclusion is about valuing and harnessing people's unique backgrounds, talents, perspectives, and insights for the benefit of individuals and the organisation. Inclusion in MOD means the action of embracing these differences.

18. All staff are required to display inclusive behaviours, such as actively listening to colleagues or speaking out against inappropriate behaviours. Managers must have undertaken the relevant Equality, Diversity, and Inclusion training and to abide by the current MOD Equality, Diversity, and Inclusion policy.

19. Current Equality, Diversity and Inclusion mandatory training include:

- Inclusion in the Civil Service (Course Code I-CS21). Duration: 40 minutes.

There may be additional training in individual TLBs so staff should ensure that they are aware of their obligations.

20. The **Disability Toolkit and Race Toolkit** is to be read in conjunction with the MOD's overarching Equality, Diversity and Inclusion policy and it is a requirement that both are followed. The MOD has a legal obligation to provide reasonable adjustments for employees with disabilities to enable them to maximise their potential and to work as effectively as possible on an equal basis with their colleagues. For more information on the Equality Act 2010 see **Diversity and Inclusion Policy**.

21. Managers should ensure they are upholding the principles outlined in the MOD, Equality, Diversity, and Inclusion policy when considering whether to use the Thank You scheme. Managers should be encouraged to consider how

different factors may affect individuals and ensure that all employees have an equal opportunity to be nominated for an award.

Eligible employees

22. All MOD civilian staff, including fixed term appointed staff in grades covered by the MOD main pay agreement are eligible for Thank You scheme awards.

23. The SCS are not eligible to receive Thank You awards.

24. Grades not covered by the MOD Main pay agreement, analogue grades and other Non-Standard Occupational Groups may be eligible, provided they have not been excluded by the TLB with lead functional responsibility.

25. Members of HM Forces, MDP Officers, TUPE staffs not covered by the MOD main pay agreement, agency staff, contractors, attached personnel and employees from other Defence Agencies operating their own delegated pay arrangements (such as UK Hydrographic Office, Defence Science Technology Laboratory) are not eligible to receive a Thank You award. The only exception is where they are working as part of a combined Civilian/Military team and they are numerically in the minority of an eligible team. Where non-entitled individuals are numerically in the minority, the total value of the award determined by the eligible staff is divided by the total number of staff in the team. See examples below:

- **Example 1:** 10 eligible staff and five ineligible staff total potential value for the team award equals £1,000 (£100 x 10). When the ineligible individuals are included, this becomes £1000 divided by 15. Therefore, each award has a maximum value of £66.
- **Example 2:** Equal numbers of each group have been recommended for a Thank You scheme award - no award should be made and an alternative method of reward must be considered.

Procedure

26. This is the procedure that should be followed when looking to reward individuals or teams through the Thank You Scheme. It should be read in conjunction with the Thank You Scheme policy and the Recognising and

Rewarding High Performance guidance document. Where necessary, managers should consult DBS for advice.

Key information for managers and employees.

27. Key stages of the procedure include:

- The manager recommends a staff member or team for a Thank You award.
- The authorising officer checks the eligibility for the award and approves the recommendation.
- The Finance Team provides financial approval.
- Electronic Procurement Card (ePC) holder purchases the award
- The staff member is presented with the award.
- Ensuring governance procedures are followed

28. Anyone can nominate an individual or team for an award, but the manager should make the recommendation. Staff members and teams cannot recommend themselves for a Thank You award. There is no limit on the amount of awards staff can be nominated for and receive.

29. It is recommended that the award be authorised at a level no lower than Grade 7, Captain RN, Colonel or Group Captain (or equivalent). However, all TLBs have the discretion to lower the minimum grade of the Authorising Officer to a minimum of SEO or the military equivalent, if required.

30. Your Finance Team authorises the payment of a Thank You scheme award by completing **HR Form 2382: Thank You Scheme - Nomination Form**.

Procedure, roles, and responsibilities

31. Recommendation - Anyone can nominate an individual or team for an award but the line manager should make the recommendation. Managers are

required to use the **HR Form 2382: Thank You Scheme - Nomination Form** to recommend staff for a Thank You award. They must then pass the form to the Authorising Officer.

32. Authorisation - Authorising Officers must be satisfied that the Thank You recommendation made by the line manager meets the criteria in the Thank You Scheme Policy. If you feel that there is insufficient evidence to support an award you must not approve the recommendation and advise the relevant line manager accordingly.

33. Due regard to the nature of the award must be given to ensure that it is appropriate and would not bring the Department into disrepute.

34. Consider Unconscious Bias and Equality and Diversity when authorising any award.

35. Forward the form to your Finance Team for them to confirm that sufficient funding is available to pay the award and then pass the authorised recommendation either to the ePC holder or to the line manager for action.

36. Funding Approval - Finance Teams must confirm that there is sufficient funding to pay the award and pass the authorised recommendation back to the Authorising Officer.

37. Purchasing an award - The list of vouchers that are available are:

Retail

- Amazon - Any amount between £1 and £100
- Arcadia - £5, £10, £20, £25
- Argos - £5, £10, £20, £25
- B&Q - £10, £25
- Currys PC World - £10, £50
- Goldsmiths - £25, £50
- House of Fraser - £5, £10, £20, £25
- John Lewis - Any amount between £10 and £100
- M&S - £10, £20, £25
- New Look - £5, £10, £20, £25
- Next - £10, £20
- River Island - £5, £10, £20, £25
- Selfridges - £10, £20, £25
- Sports Direct - £10, £20

- Superdry - £10, £20
- Ted Baker - £25, £50
- TK Maxx - £10, £20

Food and Drink

- ASDA - £50, £100
- Costa - £10, £20
- Mitchell and Butler's Dining Out - £10, £25
- Morrisons - £5, £10, £20, £25
- Pizza Express - £10, £20
- Pizza Hut - £10, £20
- Restaurant Choice - £10, £25
- Sainsbury's - £5, £10, £20, £25
- Starbucks - £5, £10, £20, £25
- Tesco - £10, £25
- TGI Friday - £10, £20
- Waitrose - £25, £50
- Zizzis - £5, £10, £20, £25

Sports and Equipment

- Buy a Gift - £10, £25
- Cineworld - £10, £20
- Leisure Vouchers - £5, £10, £20, £25
- National Book Tokens - £10, £20
- National Garden - £5, £10, £20, £25
- Premier Inn - £5, £10, £20, £25
- Spafinder Wellness 365 - £25, £50
- Theatre Tokens - £5, £10, £20, £25
- Waterstones - £5, £10, £20, £25

Multi-Store

- Bonus Bonds - £5, £10, £20, £25
- Love 2 Shop - £1, £5, £10

38. Awards should be purchased by an ePC holder directly (the Department is no longer using the BonusBonds contract). This means that if a John Lewis voucher was chosen, the ePC holder would purchase that voucher, either over the phone, in store or online with John Lewis directly. Alternatively, bonusbonds.com ([www](http://www.bonusbonds.com)) or highstreetvouchers.com ([www](http://www.highstreetvouchers.com)), which are multi-

order sites, may be used. These are the only 2 multi-order sites that are approved.

39. Vouchers may be purchased either directly from the primary supplier (i.e. Amazon voucher from Amazon website), or can be purchased from another retailer on the list above (i.e. Amazon voucher from ASDA). Vouchers cannot be purchased from retailers not on the list (i.e. Amazon voucher from local corner shop) other than from bonusbonds.com (www) or highstreetvouchers.com (www) and the Post Office. Alternative vouchers cannot be purchased from the retailer (i.e. All Bar One voucher from ASDA).

40. When ordering vouchers, they need to be delivered by Royal Mail in order to be able to access MOD sites. If using highstreetvouchers.com orders must be less than £250 if the billing address and delivery address are different.

41. You must not purchase awards outside of the list set out above unless you are purchasing an award overseas. There are countries where many of these awards cannot be spent or used. Local and more appropriate awards can be purchased where this is the case.

42. Use your own judgement as to what would be deemed a suitable award. You should also ensure that you consider carefully whether the award is one which could bring MOD into disrepute. Please note that you should always abide by the civil service code of conduct when considering the use of an award.

43. A manager who is not an ePC holder should only purchase an award in exceptional circumstances. If a line manager purchases the award and they are not an ePC holder they should seek reimbursement through the Miscellaneous Personal Payments process using HR Form 1108: Miscellaneous Personal Payment System (MPP) Authority for Payment.

Presenting a Thank You Scheme award

44. Managers should make clear what particular behaviours, values and achievements are being rewarded when presenting the award.

45. Managers should ensure that staffs wishes are taken into consideration when presenting the award, e.g. the location and timing of the presentation.

Diversity and inclusion

46. MOD recognises that we have a diverse workforce, and we want to ensure our workplace is inclusive. This is a joint responsibility for all colleagues.

Diversity means the ways in which we all differ including (but not limited to) our race, ethnicity, religion, beliefs, physical attributes, disabilities, sex, gender identity, sexual orientation, age, socio-economic background, life experiences (including marriage, civil partnership, pregnancy, and maternity), skills and the way we think and do things. Consideration should also be given to other relevant circumstances such as Trade Union membership and activities.

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51. Current Equality, Diversity and Inclusion mandatory training include:

- Inclusion in the Civil Service (Course Code I-CS21). Duration: 40 minutes.

52. The Disability Toolkit and Race Toolkit is to be read in conjunction with the MOD's overarching Equality, Diversity and Inclusion policy and it is a requirement that both are followed. The MOD has a legal obligation to provide reasonable adjustments for employees with disabilities to enable them to maximise their potential and to work as effectively as possible on an equal basis with their colleagues. For more information on the Equality Act 2010 see Diversity and Inclusion Policy.

53. Managers should ensure they are upholding the principles outlined in the MOD, Equality, Diversity, and Inclusion policy when considering whether to use the Thank You scheme. Managers should be encouraged to consider how different factors may affect individuals and ensure that all employees have an equal opportunity to be nominated for an award.

Innovation

54. The Defence Innovation vision for Defence is: A defence enterprise that is innovative by instinct, where ideas are readily generated and exploited to deliver innovative solutions to Defence's challenges.

55. For an organisation to be "innovative by instinct":

- every member of staff feeling empowered to think and act innovatively, they understand why innovation is important in achieving organisational objectives
- leaders demonstrate, champion, and celebrate innovative behaviours, role modelling greater risk tolerance
- it has a common language, and willingness to share good practice and lessons identified to help others innovate
- it has readily accessible training and tools to develop innovation skills

56. Three main areas have been highlighted in relation to how we should successfully achieve our vision for innovation; (a) innovation is for everyone, (b) focus on enabling innovation and (c) scale up.

57. To achieve our intended future state and in line with our innovation principles (inclusive, empowered), innovation must be considered an approach

across Defence with all parts working together to achieve the desired outcomes, not just those with 'innovation' in their job title.

58. The innovation 'ecosystem' focuses on:

- Deliverers, those who generate and develop ideas internally and externally.
- Enablers, those that provide the backbone for innovation e.g., functions; and
- Adopters, those who pull through and use the outputs of innovation e.g., capability planning groups, end users.

59. All three need to be supported and work collaboratively to achieve the change required. In addition, our communications efforts need to reflect the key message, that we are on one team journey and that everyone is part of and can contribute to innovation.

Governance

60. Governance of the Thank You Scheme must be rigorous. Any abuse of the system will result in disciplinary measures being taken.

61. TLBs must follow the governance principles as set out in the Thank You Scheme policy